

REPORT OF THE COMMITTEE ON BUDGET

Voting Members:

Joey Manahan, Chair; Brandon J.C. Elefante, Vice Chair;
Ikaika Anderson, Kymberly Marcos Pine

Committee Meeting Held
June 28, 2017

Honorable Ron Menor
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Bill 52 (2017) entitled:

"A BILL FOR AN ORDINANCE RELATING TO THE MINIMUM REAL
PROPERTY TAX,"

which passed first reading at the June 7, 2017 Council meeting, reports as follows:

The purpose of the Bill is to amend the minimum real property tax.

The Director of Budget and Fiscal Services (BFS) testified stating that the department does not oppose the Bill, but has concerns with the language of the Bill as written. The proposed language assumes historical real property are completely exempt, but there are certain properties which receive partial exemptions. The Bill should address these partial exemptions and also include language to amend Section 8-10.22 of the Revised Ordinances of Honolulu 1990 (ROH) (Historic residential real property dedicated for preservation). The BFS Director proposed changes to address these concerns.

Your Committee received testimony from one individual in opposition of the Bill.

Your Committee considered and approved a proposed hand-carried CD1 version that makes the following amendments:

1. Amends Section 8-11.-1 to reference ROH Sections 8-10.22.

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON JUL 12 2017

COMMITTEE REPORT NO. 260

REPORT OF THE COMMITTEE ON BUDGET

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Joey Manahan, Chair; Brandon J.C. Elefante, Vice Chair;
Ikaika Anderson, Kymberly Marcos Pine

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June 28, 2017

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Page 2

2. Amends Section 8.10.22(f) as follows:

Except as otherwise provided in Section 8-9.1, residential real property approved for dedication is subject to real property taxation in the following manner:

(a) Fully exempt property is subject to a minimum real property tax of a \$1,000.

(b) Partially exempt property is subject to real property taxes no less than \$1,000.

Your Committee on Budget is in accord with the intent and purpose of Bill 52 (2017), as amended herein, and recommends that it pass second reading, be scheduled for a public hearing, and be referred back to Committee in the form attached hereto as Bill 52 (2017), CD1. (Ayes: Manahan, Anderson, Elefante – 3; Ayes with reservations: Pine - 1; Noes: None.)

Respectfully submitted,



Committee Chair

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON JUL 12 2017

COMMITTEE REPORT NO. 260



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____

BILL 52 (2017), CD1

A BILL FOR AN ORDINANCE

RELATING TO THE MINIMUM REAL PROPERTY TAX.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to amend the minimum real property tax.

SECTION 2. Section 8-11.1, Revised Ordinances of Honolulu 1990 ("Real property tax—Determination of rates"), is amended by amending subsection (g) to read as follows:

"(g) Notwithstanding any provision to the contrary, there is ~~[shall be]~~ levied upon each individual parcel of real property taxable under this chapter a minimum real property tax of \$300.00 a year, except for properties exempt under Sections 8-10.22, 8-10.24, 8-10.27 and except as provided in Section 8-10.28(b)(2).

SECTION 3. Sec. 8-10.22(f), Revised Ordinances of Honolulu 1990 (Exemption—Historic Residential real property dedicated for preservation) is amended by amending subsection (f) to read as follows:

(f) Except as provided by Section 8-9.1, [Portions of] residential real property approved for dedication [which are dedicated and approved] in whole or in part by the director under this [as provided for by this] section, will [shall] be fully or partially exempt [from] and subject to real property taxation [except as provided by Section 8-9.1] in the following manner: Fully exempt real property is subject to a minimum real property tax of \$1,000 and partially exempt real property is subject to real property taxes in an amount no less than \$1,000.

SECTION 4. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____

BILL 52 (2017), CD1

A BILL FOR AN ORDINANCE

SECTION 4. This ordinance takes effect upon its approval and applies to the tax years beginning July 1, 2018 and thereafter.

INTRODUCED BY:

Ikaika Anderson

DATE OF INTRODUCTION:

May 16, 2017

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 _____.

KIRK CALDWELL, Mayor
City and County of Honolulu